

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE FAILURE OF CENTER ) ADMINISTRATIVE  
RIDGE WATER DISTRICT NO. 2 TO FILE ) CASE NO. 2011-00337  
REQUIRED REPORTS )

ORDER

On October 11, 2011, the Commission ordered Center Ridge Water District No. 2 ("Center Ridge") to show cause why it should not be penalized for failing to comply with KRS 278.230(3). A hearing in this matter was held on October 27, 2011. No representative appeared on behalf of Center Ridge.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Center Ridge is a Kentucky corporation that owns, controls, operates, and manages facilities which are used for and in connection with the distribution and furnishing of water to and for the public for compensation. It is, therefore, a utility subject to Commission jurisdiction.<sup>1</sup>

2. KRS 278.230(3) directs every utility, when required by the Commission, to file with it any report or other information that the Commission reasonably requires.

3. 807 KAR 5:006, Section 3(1) requires every utility to file with the Commission, on or before March 31 of each year, a financial and statistical report of its utility operations for the preceding calendar year on forms furnished by the Commission.

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<sup>1</sup> KRS 278.010(3)(d).

4. On or about December 15, 2010, the Commission mailed to Center Ridge at its address of record the Commission's standard form for the annual financial and statistical report, two copies of the Commission's standard form for report of gross earnings derived from intrastate business, and a letter of instruction to complete the forms for the 2010 calendar year operations.

5. As of April 1, 2011, Center Ridge had neither filed these reports for the 2010 calendar year operations nor requested an extension of time in which to make such filing.

6. On May 26, 2011, Center Ridge filed with the Commission its report of gross earnings derived from intrastate business.

7. Center Ridge filed an annual financial and statistical report for its 2010 calendar year operations on December 9, 2011.

8. Where the act which a utility is required to do is merely clerical in nature, willfulness or deliberate intent can be inferred from the fact of noncompliance.<sup>2</sup>

9. Center Ridge has willfully failed to submit reports by March 31 as required by 807 KAR 5:006, Section 3(1).

10. Center Ridge has willfully failed to comply with KRS 278.230(3).

11. KRS 278.990(1) provides that any utility that willfully violates any provision of KRS Chapter 278 or any regulation promulgated pursuant to KRS Chapter 278 or fails to perform any duty imposed upon it under those sections shall be subject to a civil penalty not less than \$25 and not more than \$2,500.

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<sup>2</sup> See *Re Dyke Water Company*, 55 PUR3d 342 (Cal. P.U.C. 1964).

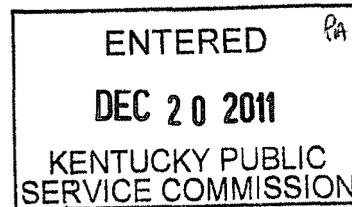
12. Center Ridge should be assessed a penalty of \$2,500 for its willful failure to comply with KRS 278.230(3).

IT IS THEREFORE ORDERED that:

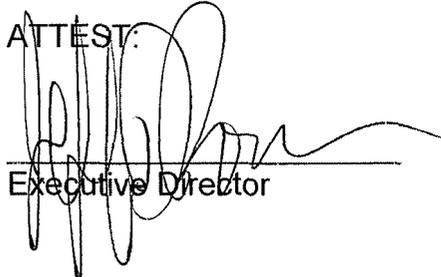
1. Center Ridge is assessed a penalty of \$2,500 for its willful failure to comply with KRS 278.230 and 807 KAR 5:006, Section 3(1).

2. Center Ridge shall pay the assessed penalty within 14 days of the date of this Order. Payment shall be by certified check or money order made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40602-0615.

By the Commission



ATTEST:

  
Executive Director

Case No. 2011-00337

William Duncan  
President  
Center Ridge Water District No. 2  
69 Marguerite Blvd  
New Concord, KY 42076